

INTERNET Licence Agreement

between

KWON KG

KWON Kampfsport-Ausstattung
represented by the managing director

E. Schramm

Unterfeldring 3

85256 Vierkirchen

Federal Republic of Germany

- hereinafter referred to as the "licensor" –

and

Customer-No.:

[www._____.](#)

- hereinafter referred to as the "licensee" –

The following licence agreement is hereby concluded.

Subject of this agreement:

The licensor wishes to grant the licensee a licence to use its trademarks on the INTERNET for the products made by the licensor.

Preamble

The licensor sells sport articles and equipment for Asian martial arts, in particular for the disciplines Taekwondo, Karate, Hapkido, Jiu-Jitsu, Kung Fu, Ninja, Aikido/Kendo, Judo and Thai boxing, as well as related articles such as watches, bags, books, video films and cassettes about sport, gym and sport clothing, whereby this list should not be regarded as conclusive. The range of products covers the whole area of martial arts. This is reflected in the KWON catalogues, the last of which was the KWON catalogue 2010 and other KWON promotion measures. The agreement covers all products of the KWONs current catalogue and websites. (contractual products).

The licensor sells its articles with its company slogan or trademarks KWON, Rhode, Danrho and/or company logo or trademark



hereinafter referred to as "KWON with fist" or the fist logo alone which, apart from name and trademark protection, also enjoy protection on the basis of secondary meaning (contractual trademarks).

The licensor and the trademarks "KWON" are highly regarded in experts circles and by users due to their familiar good quality, functional design and the excellent features of the products.

In view of this the parties hereby conclude the following agreement:

I)

Licence provisions
Provisions concerning the granting of an Internet licence.

§ 1

1. The contractual territory is worldwide through the internet.
2. The licensor grants the licensee a licence for the use of its trademarks in representations of the products manufactured by the licensor on the Internet.
3. This licence agreement also covers logistic services of the licensor for the licensee by application of the licensee to the licensor insofar as the licensor approves such applications. This shall function as follows:
The licensee agrees on delivery with his end customer and invoices the end customer.
The licensor delivers the goods directly to the end customer and invoices the licensee for this service. The costs for this logistics service are not included in the licence fee.
4. The licensee is obliged to clearly show the following information on every Internet page on which products bearing a contractual trademark are advertised:

"KWON" and "KWON with fist" are registered trademarks of the company Schramm Sport GmbH, KWON Kampfsport-Ausstattung, and used by licence of this company.

The company Schramm Sport GmbH, KWON Kampfsport-Ausstattung holds all rights to the products bearing these brand names.'

The licensee must also apply the symbol ® after the cited trademarks.

5. The licensee may not carry offensive and / or immoral content and / or make any such presentations on the same Internet page as the products of the licensor are advertised.
6. The licensee agrees to advertise the contractual products with all the due care and diligence of a prudent businessman.

§ 2 Remuneration

1. The licensor grants the licence to the licensee free of charge until further notice. The licensor, however, has the right to demand a reasonable licence fee, having announced this with three months notice. In this case the licensee cannot evoke customary rights.

§ 3 Liability

1. The licensor does not accept any liability for the licence granted to the licensee with this agreement or its implementation. The licensee is solely and exclusively responsible for this.

§ 4 Industrial property rights

1. Within the framework of this agreement the licensee is entitled to use and benefit from the contractual trademarks. The licensee acknowledges the national and international or foreign trademarks, presentation and company rights of the licensor. The licensee does not acquire any own rights in connection with this and other industrial property rights of the licensor.

At present the licensor holds, in particular the following trademarks and trademark applications for KWON or KWON with fist in Germany which enjoy protection.

- a) German trade mark no. 1 006 209
KWON with fist (word / image trademark)
- b) German trade mark no. 1 079 724
KWON with fist (word / image trademark)
- c) German trade mark no. 1 115 837
KWON with fist (word / image trademark)
- d) German trade mark no. 1 127 808
KWON
- e) German trade mark no. 1 132 477
KWON
- f) German trade mark no. 1 142 659
KWON

- g) German trademark no. 1 172 700
KWON
- h) German trademark no. 2 059 312
KWON
- i) German trademark no. 2 058 741
KWON with fist (word / image trademark)
- j) German trademark no. 397 35 333
KWON with fist (word / image trademark)
- k) German trademark no. 397 35 318
KWON
- l) German trademark no. 2 077 183
KWON
- m) German trademark no. 2 021 255
KWON with fist (word / image trademark)

2. The licensor has the corresponding trademark protection in most countries of the world, for example in the whole of Europe, USA, Canada, Russia, Korea, Japan, China, Taiwan and Pakistan, Korea, whereby this list is not at all conclusive.

The licensee may not apply for registration of these above stated trademarks or trademarks which might give rise to confusion even after termination of this agreement.

The licensee signs up to not advertise and/or distribute products of other brands and/or producers along or next to the contract label other than the once from the licensor. That means the registered brand acc. to §4 is only allowed to be related to KWON products. This doesn't preclude that the licensee is not allowed to sell products of other producers.

§5 Contractual penalty

1. For every individual infringement against the above stated industrial property rights of Schramm Sport GmbH– continuation of offence excluded - the licensee shall be liable to pay to the licensor a contractual penalty of € 5000 to Schramm Sport GmbH.

This does not prejudice compensation claims and the right of the licensor to terminate the agreement without notice.

§6
Duration of the agreement

1. This agreement shall remain effective until notice of cancellation by one party.
2. Either party can terminate the agreement without giving any reason with a notice period of 14 days to the end of a calendar month.
3. Notice of termination shall be made in writing only by registered letter with confirmation of receipt.
4. Either party can terminate this agreement without notice for an important reason.

Important reasons include the following, whereby this list shall not be considered conclusive:

- application for the initiation of bankruptcy or composition proceedings, initiation of liquidation or similar measures against the assets of one of the parties to the agreement,
- cessation or substantial restriction of the business activities in the area of the contractual products,
- infringement against substantial provisions of this agreement,
- nationalisation of the company of one of the parties to the agreement or a substantial alteration in connection with the ownership circumstances which could have a negative impact on the collaboration between the parties,
- infringement against obligations with regard to the industrial property rights of the licensor pursuant to § 4,
- infringement against the licence identification obligation pursuant to § 1, 2.),
- infringement against the obligation of sport-related presentation pursuant to § 1, 3.).

§ 7
Procedure on termination of the agreement
(regardless of the reason)

1. On termination of the agreement the licensee shall return to the licensor all documents and materials which are related to the advertising or marketing of the contractual products and / or were made available to the licensee by the licensor or a third party for this purpose.
2. After termination of the contract the licensee shall refrain from using the company slogan and the contractual trademarks of the licensor.

§ 8
Concluding provisions

1. On conclusion of this agreement all prior agreements between the parties are rendered void. There are no verbal ancillary agreements. Alterations and amendments to this agreement shall be in writing only.
2. Insofar as this agreement provides for the payment of contractual penalties, these shall be automatically due for immediate payment.
3. This agreement is also binding for any legal successors of the parties as well as for companies in which the parties have at least a 50 % holding and companies which have at least a 50 % holding in the parties. The parties are obliged to transfer the rights and obligations arising from this agreement to such companies.
4. In the event that one or more provisions of this agreement are or become ineffective or void, this shall not prejudice the validity of the other provisions. An ineffective or void provision shall be replaced by a provision which the parties would have agreed on to achieve the same economic purpose had they realised the defect at the time of concluding the agreement. This applies expressly to the case that, contrary to expectations, one or more provisions were judged by a German and / or foreign authority and / or a German and / or foreign court to be ineffective or void in accordance with German and / or EU law and / or national laws of another state.

The agreement is subject to German law. Place of jurisdiction is the Landgericht of Munich (Federal Republic of Germany).

Vierkirchen, 2012

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KWON KG
KWON Kampfsport-Ausstattung
(Licensor)

(Licensee)